Manitoba

Annual Report

The Year Ending June 30, 1990

The Public Schools Finance Board

91-07003/

Minister of
Education

Room 168
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour,
George Johnson,
Lieutenant-Governor of Manitoba.

May It Please Your Honour:

I present herewith the annual report of The Public Schools Finance Board for the fiscal year ending June 30, 1990.

Respectfully submitted,

Honourable Len Derkach
Minister of Education and Training

Manitoba

Education

Public Schools
Finance Board

506 — 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3

March 28, 1991

The Honourable Len Derkach
Minister of Education and Training
168 Legislative Building
450 Broadway Avenue
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

Pursuant to Section 13 of The Public Schools Finance Board Act, on behalf of The Public Schools Finance Board, I have the honour of submitting the attached document for your review and consideration.

This annual report of The Public Schools Finance Board is for a twelve month period ending June 30, 1990.

Respectfully,

Mrs. Pat Mosiewich
Chairperson
Public Schools Finance Board

PM/jds

Attachment

MAJOR CAPITAL CONSTRUCTION PROJECTS
Approved during January 1989 - June 1990

School Division/School	Project	Estimated Total Costs
Winnipeg No. 1		
Sacre Coeur	replacement school	$2,500,000
Assiniboine South No. 3		
Oak Park	addition of six high quality relocatables	600,000
Fort Garry No. 5		
Vincent Massey	renovations	600,000
River East No. 9		
Sun Valley	addition of six high quality relocatables	600,000
Kildonan East Regional Secondary School	addition	200,000
Lord Selkirk No. 11		
Happy Thought	addition and renovation	1,200,000
Seine River No. 14		
La Salle	replacement school	1,400,000
Parc la Salle	renovation and addition of two high quality relocatables	500,000
Hanover No. 15		
Landmark	new school	2,000,000
Red River No. 17		
Letellier	replacement school	500,000

School Division/School	Project	Estimated Total Costs
Interlake No. 21		
Teulon	addition of five high quality relocatables and renovation	600,000
Garden Valley No. 26		
Garden Valley Collegiate	addition and renovation	3,000,000
Mountain No. 28		
Notre Dame	addition	500,000
Beautiful Plains No. 31		
Carberry Collegiate	addition and renovation	1,200,000
Frontier No. 48	allocation	300,000
		$15,700,000

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

JULY 1989 - JUNE 1990

SCHOOL DIVISION	NO.	MONTH	DAY	YEAR	AMOUNT	TOTAL
WINNIPEG	1	JULY	31	1989	$1,255,000.00	
		AUGUST	31	1989	1,355,000.00	
		NOVEMBER	30	1989	1,800,000.00	
		JANUARY	31	1990	787,000.00	
		MARCH	31	1990	965,000.00	
		APRIL	30	1990	514,000.00	
		JUNE	30	1990	640,000.00	$7,316,000.00
ST. JAMES-ASSINIBOIA	2	OCTOBER	31	1989	307,000.00	307,000.00
ASSINIBOINE SOUTH	3	OCTOBER	31	1989	63,000.00	
		DECEMBER	15	1989	1,130,000.00	
		MAY	31	1990	1,940,000.00	
		JUNE	30	1990	142,000.00	3,275,000.00
ST. BONIFACE	4	FEBRUARY	28	1990	127,000.00	127,000.00
FORT GARRY	5	OCTOBER	31	1989	292,000.00	292,000.00
ST. VITAL	6	SEPTEMBER	15	1989	1,240,000.00	
		NOVEMBER	15	1989	985,000.00	
		DECEMBER	15	1989	640,000.00	
		JANUARY	31	1990	310,000.00	
		APRIL	30	1990	184,000.00	3,359,000.00
RIVER EAST	9	OCTOBER	31	1989	183,000.00	
		FEBRUARY	28	1990	723,000.00	
		APRIL	30	1990	108,000.00	1,014,000.00
SEVEN OAKS	10	SEPTEMBER	30	1989	895,000.00	
		JANUARY	15	1990	500,000.00	
		FEBRUARY	15	1990	1,100,000.00	
		MARCH	31	1990	205,000.00	
		JUNE	30	1990	515,000.00	3,215,000.00
TRANSCONA-SPRINGFIELD	12	OCTOBER	31	1989	285,000.00	
		JANUARY	31	1990	293,000.00	
		FEBRUARY	28	1990	53,000.00	
		APRIL	30	1990	688,000.00	
		JUNE	30	1990	723,000.00	2,042,000.00
AGASSIZ	13	SEPTEMBER	30	1989	95,000.00	
		FEBRUARY	28	1990	80,000.00	175,000.00
SEINE RIVER	14	FEBURARY	28	1990	676,000.00	
		MARCH	31	1990	790,000.00	
		MAY	31	1990	426,000.00	
		JUNE	30	1990	444,000.00	2,336,000.00
HANOVER	15	SEPTEMBER	30	1989	535,000.00	
		OCTOBER	31	1989	138,000.00	
		MAY	15	1990	426,000.00	
		JUNE	30	1990	90,000.00	1,189,000.00
RED RIVER	17	OCTOBER	31	1989	44,000.00	44,000.00
MORRIS-MACDONALD	19	JANUARY	31	1990	305,000.00	
		MAY	15	1990	101,000.00	406,000.00
WHITE HORSE PLAIN	20	APRIL	30	1990	73,000.00	73,000.00
INTERLAKE	21	FEBRUARY	28	1990	115,000.00	115,000.00
PORTAGE LA PRAIRIE	24	OCTOBER	31	1989	72,000.00	72,000.00

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

JULY 1989 - JUNE 1990

SCHOOL DIVISION	NO.	MONTH	DAY	YEAR	AMOUNT	TOTAL
GARDEN VALLEY	26	FEBRUARY	28	1990	144,000.00	144,000.00
PEMBINA VALLEY	27	FEBRUARY	28	1990	78,000.00	78,000.00
MOUNTAIN	28	SEPTEMBER	30	1989	135,000.00	
		NOVEMBER	15	1989	530,000.00	
		MARCH	15	1990	204,000.00	869,000.00
TIGER HILLS	29	FEBRUARY	28	1990	120,000.00	120,000.00
PINE CREEK	30	OCTOBER	31	1989	78,000.00	
		JUNE	30	1990	52,000.00	130,000.00
BEAUTIFUL PLAINS	31	OCTOBER	31	1989	133,000.00	133,000.00
SWAN VALLEY	35	OCTOBER	31	1989	85,000.00	
		FEBRUARY	28	1990	45,000.00	130,000.00
INTERMOUNTAIN	36	OCTOBER	31	1989	78,000.00	
		FEBRUARY	28	1990	145,000.00	223,000.00
PELLY TRAIL	37	FEBRUARY	28	1990	225,000.00	225,000.00
ROLLING RIVER	39	OCTOBER	31	1989	44,000.00	
		FEBRUARY	28	1990	350,000.00	
		FEBRUARY	28	1990	370,000.00	
		APRIL	30	1990	130,000.00	894,000.00
BRANDON	40	FEBRUARY	15	1990	303,000.00	303,000.00
FORT LA BOSSE	41	SEPTEMBER	30	1989	175,000.00	
		JUNE	15	1990	117,000.00	292,000.00
SOURIS VALLEY	42	FEBRUARY	28	1990	66,000.00	66,000.00
ANTLER RIVER	43	SEPTEMBER	30	1989	115,000.00	115,000.00
TURTLE MOUNTAIN	44	APRIL	30	1990	217,000.00	217,000.00
KELSEY	45	JUNE	30	1990	65,000.00	65,000.00
WESTERN	47	SEPTEMBER	30	1989	210,000.00	
		NOVEMBER	30	1989	445,000.00	
		FEBRUARY	28	1990	465,000.00	
		APRIL	30	1990	475,000.00	1,595,000.00
FRONTIER	48	JANUARY	15	1990	336,000.00	
		FEBRUARY	15	1990	872,000.00	1,208,000.00
SOUTH WINNIPEG VOCATION	56	JANUARY	15	1990	36,000.00	36,000.00
MYSTERY LAKE	2355	OCTOBER	31	1989	89,000.00	89,000.00
LEAF RAPIDS	2460	JANUARY	15	1990	45,000.00	45,000.00
TOTAL						$32,334,000.00

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

AUDITOR'S REPORT

To The Legislative Assembly of Manitoba

We have audited the balance sheet of The Public Schools Finance Board as at June 30, 1990 and the statement of revenue and expenditure and accumulated surplus for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is not complying with its reporting responsibilities as defined in the Public Schools Finance Board Act (Act). As indicated in note 8 to the financial statements, the Board is taking steps to review its structure and mandate under the Act and its reporting responsibilities. Because this review is not complete, it is impractical for the Board to estimate any adjustments which would be required to these financial statements to ensure compliance with section 9(2) of the Act.

In our opinion, except for the effect of any adjustments which would be required to ensure compliance with section 9(2) of the Act as discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements.

F. H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
March 22, 1991

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at June 30, 1990

ASSETS	1990	1989
	(in thousands of dollars)	
Cash in bank	$ 502	$ 310
Funds on deposit with the Government of the Province of Manitoba	4,329	-
Accounts receivable:		
Government of the Province of Manitoba	41,797	17,648
Municipal corporations	125,119	129,411
Other	302	300
Prepaid expense	8	12
Deferred costs, Note 4	200	207
	$ 172,257	$ 147,888
LIABILITIES AND SURPLUS		
Support payable to school divisions	$ 5,658	$ 5,799
Accrued interest	4,639	3,334
Other payables	1,933	1,835
Notes payable on demand, at bank prime, Government of the Province of Manitoba	138,719	123,772
	150,949	134,740
Reserve: Note 5		
Appropriated from surplus for 1990\91 operations	8,400	-
Appropriated from surplus for 1991\92 operations	7,000	-
	15,400	-
Accumulated surplus	5,908	13,148
	$ 172,257	$ 147,888

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
and Accumulated Surplus
for the year ended June 30, 1990

	1990	1989 (Note 3)
	(in thousands of dollars)	
Revenue:		
Government of the Province of Manitoba	$ 502,525	$ 266,291
Municipal corporations, education support levy	211,236	129,411
	713,761	395,702
Expenditure:		
Support to school divisions, Schedule 1	696,448	397,511
Administrative and other expenses, Schedule 2	9,153	4,291
	705,601	401,802
Excess (deficiency) of revenue over expenditure	8,160	(6,100)
Accumulated surplus:		
Balance, beginning of year	13,148	19,248
Transfer to reserve, Note 5	(15,400)	-
Balance, end of year	$ 5,908	$ 13,148

SCHEDULE 1

THE PUBLIC SCHOOLS FINANCE BOARD

Schedule of Support to School Divisions
for the year ended June 30, 1990

	1990	1989 (Note 3)
	(in thousands of dollars)	
Operating:		
Block	$ 427,619	$ 255,837
Equalization	87,894	48,765
Guarantee	13,324	4,397
Special services	46,853	27,157
Transportation	27,201	16,533
Curricula materials	7,307	4,400
Bilingualism	6,859	4,010
Vocational industrial	4,983	3,050
Language development for Natives	3,106	1,805
Inner city	2,101	1,135
Compensatory	3,324	2,033
English as a second language	2,104	1,186
Small schools	1,932	1,154
Heritage language	271	171
Loss of Treaty Indian enrolment	37	56
Early identification	250	157
Increased enrolment	1,890	-
Interest	403	-
Reimbursement of audit fees	427	-
Adjustment of Previous years' support to school divisions from estimated to actual	280	249
Capital:		
Debt servicing, Note 6	48,673	20,928
Other	5,488	2,728
Buses	2,591	951
Vocational equipment	1,531	809
Total support to school divisions	$ 696,448	$ 397,511

THE PUBLIC SCHOOLS FINANCE BOARD

Schedule of Administrative and Other Expenses
for the year ended June 30, 1990

	1990	1989 (Note 3)
	(in thousands of dollars)	
Board members' indemnities	$ 118	$ 49
Staff salaries, Note 8	888	415
Professional services	62	65
Travel and sundry	61	25
Printing, stationery and supplies	131	47
Equipment	56	7[illegible]
Telephone	19	10
Insurance	7	5
Equipment rentals	6	2
Interest charges on notes payable to the Government of the Province of Manitoba	7,805	3,597
Total administrative and other expenses	$ 9,153	$ 4,291

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
June 30, 1990

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis and fixed asset purchases which are expensed in the year of acquisition.

(b) The education support levy is assessed against municipal corporations on a calendar year basis. The fiscal year of the Board, being July to June spans two calendar years. The Board applies 40% of the levy of the first calendar year to the July to December period and then applies 60% of the levy of the second calendar year to the January to June period.

3. Change in Year End

In accordance with Order-in-Council 573/90, dated May 23, 1990, the fiscal year end of the Board was changed from December 31 to June 30. Because of this change, the 1989 figures reflect six months of operations and are therefore not fully comparable to those of the current year.

4. Deferred Costs

During 1988 the Board authorized the purchase of a computerized School Administrator System for sale to school divisions with anticipated full recovery over the next three to five years. As at June 30, 1990, the Board had spent $362,399 (1989 - $309,135) for the System and recovered $162,725 (1989 - $101,785) from sales to school divisions.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
June 30, 1990

5. Reserve

In accordance with Section 9 (7) of the Public Schools Finance Board Act, the Board, upon the recommendation of the Department of Education and Training, has approved the appropriation of surplus funds for future years to the extent of $15,400,000 as follows:

1990/91 fiscal year	$8,400,000
1991/92 fiscal year	$7,000,000

6. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service debenture debt of school divisions during the fiscal year. As at June 30, 1990, the approved outstanding debenture debt is $298,429,233 (1989 - $284,964,333). The Board has not, however, assumed legal liability related to the repayment of such long-term debt and, therefore, this amount is not reflected in the financial statements.

7. Commitments

As at June 30, 1990, the Board has $1,460,155 (1989 - $2,705,361) in outstanding commitments for the purchase of school buses, and $3,104,060 (1989 - $2,660,863) for vocational equipment and other capital project approvals carried forward.

8. Cost Apportionment

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.

In 1988, the Board initiated a review to examine its mandate and structure with particular emphasis on the legislation incorporating it. This review may result in recommendations for changes to the Act or in changes to the basis of apportionment of administrative costs, including such costs as salaries and employee benefits, office space and utilities, borne by the Board under section 9(2) of the Act. Because this review is not complete, it is impractical for the Board to estimate the full extent of any adjustments which would be required to these financial statements to ensure full compliance with the requirements of the Act to recover the costs of administering its programs. For those individuals whose salaries are charged to the Board's operations, the Board has estimated the cost from July 1989 to June 1990 pertaining to employee benefits to be $128,700 (January to June, 1989 - $60,150) and for office space and utilities to be $40,700 (January to June, 1989 - $19,400). These amounts are not recorded in the financial statements.